

# White Paper

## Managing Administrator Pain Points in the Health Care System: The Impact of Obesity

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- *Hospitals and health care providers are challenged by limited views on health and wellness, customers' experiences, and delivery systems.*
- *More than half of the \$3.5 trillion in annual health care expenditures are associated with specific conditions, such as heart disease, diabetes and cancer.<sup>1</sup>*
- *Treatment for obesity has a positive domino-effect by reducing or resolving comorbid conditions including diabetes and hypertension, which are high priorities for compliance with the ACA.*
- *Financial and operating models in health care must change to create the long-term impact necessary to achieve true value-added care.*

In today's volatile political and economic climate, hospitals and health care providers face incredible challenges. Financial pressures to manage costs and ensure price transparency, while simultaneously meeting value-based care mandates for accountable care organizations (ACO), create a top-down burden for administrators with a ripple effect on patients, doctors, individual departments, and insurers. As such, new, innovative long-term solutions must be considered.

### MEETING THE COMPELLING NEEDS OF HOSPITALS

To move forward and remain successful, existing practices and issues must be reexamined. The most compelling needs hospitals and health care systems face are improved customer experience, transformed delivery systems and a universal recognition of individual health and wellness. An effective start to solving hospital's compelling needs in all three areas is through obesity treatment.

The impact of obesity on health care systems and the economy is staggering. With multiple factors contributing to its pathophysiology, obesity has significant effects on morbidity and mortality.<sup>2</sup> Seen as "a global catastrophe in slow motion,"<sup>3</sup> obesity contributes to more deaths each year than opioids, but is not viewed as an immediate risk because it is not perceived as life-threatening. Adding to the need to be proactive is evidence that increasing metabolic disease mortality rates are linked to more recent birth years, meaning today's youth will continue to contribute to increased levels of obesity.

Beyond health issues is the overwhelming financial burden associated with obesity. The U.S. spends more on obesity-related health expenditures than any other country.<sup>5</sup> A 2018 study found that direct costs to treat diseases caused by overweight and obesity equal approximately \$480 billion, including care, prescriptions, and medical equipment.<sup>6 7</sup> Medicare and Medicaid bear the brunt of the costs, roughly 7% and 8% respectively, though patients, hospitals, private insurers, and third-party payers also are affected.

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### *Improved Customer Experience*

Many hospitals fail to identify the stages of the patient journey that have the greatest impact on preventive health services, and they must do better at balancing the needs of their patient populations with exacting ACO standards. Digital transformation offers solutions, with many platforms available to meet customer demands. Data-driven decisions provide the foundation for all aspects of customer experience, offering insights into multiple dimensions at every touchpoint of the customer journey and allowing for the implementation of valuable new strategies and tools.

### *Transformed Delivery Systems*

Perhaps one of the greatest obstacles to creating long-term, effective solutions is “wrong pocket” attribution, which occurs when an entity makes an investment that benefits another entity. For example, weight loss and smoking cessation programs yield significant benefits to society through avoided medical costs, insurer payouts, and greater productivity. However, these positive health outcomes are more likely to be experienced by individuals than the funding agency. And despite the fact that these benefits can continue for years, programs remain underfunded because funding entities and hospitals expect to see the return on an investment (ROI) on their bottom line, despite the fact that the median ROI for public health interventions is 14.3 to 1, with even greater returns for nationwide programs (27.2).<sup>8</sup>

As such, worries about wrong pocket attribution discourage major impact investments as evidenced by the steady decline of public health funding in spite of the far-reaching program benefits.<sup>9</sup> Until successful measures are valued beyond immediate outcomes, hospitals will be restricted by their own operations and financial models, and a true system of value-added care will not be achieved. For example, a national anti-smoking campaign led to the lowest ever percentage of cigarette smoking (13.7%) among adults in the U.S. and represented a 66% decline in smoking. This resulted in measurable health improvements and an estimated \$2.5 billion savings per year for Medicaid.<sup>10</sup>

### *Universal recognition of individual health and wellness*

To succeed in these changing times, health care systems must embrace a more holistic view of patients that recognizes the personal and environmental factors that affect them.<sup>11</sup> This would help identify factors that affect access to quality health care and shift focus and funding to preventive programs that can reduce the number of people who become fixtures in the health care system, as demonstrated by previous successful programs that created lasting impact.

### **MOVING TOWARDS A NEW PARADIGM**

The health care paradigm is shifting and a new proactive, integrated approach is imminent. High impact programs will be the priority. As noted, obesity is an epidemic in the U.S., with a key study suggesting that obesity related deaths may already be higher than tobacco related deaths because deaths from obesity and diabetes<sup>12</sup> are drastically under-attributed.<sup>13</sup> Because obesity is pervasive across the entire population, it should be the highest priority for public health policy makers<sup>14</sup> <sup>15</sup> and health care providers, making it the natural nexus for change. Fortunately, hospitals and health care systems can change how they treat this disease to provide quality care for patients and reduce associated costs. Here are three ways to address hospital administrators’ compelling needs related to the obesity epidemic.

### *Improved customer experience*

Funding shortages have reduced the number of public programs to combat obesity. Obesity prevention program funding from the CDC is “inadequate”,<sup>16</sup> and although the NIH contributes about \$1 billion towards obesity research, it is disproportionately low compared to other areas.<sup>17</sup>

To create a positive customer experience for those with obesity, a range of weight management methods and programs must be offered within the hospital. Operating a weight management center generates revenue for the institution, and medical weight loss programs are favored because they are supported by qualified registered dietitians, counselors, and other professionals. Since patient health data is managed within the health care system, physicians with direct knowledge of patients' conditions can make internal referrals to their own weight management center, providing a "one-stop shop" where programs can be personalized to meet individual needs.

Further, because patients are already within the system, a universal approach to care can be offered. For example, obesity and osteoarthritis are linked, and preoperative weight management is critical to optimizing surgical outcomes.<sup>18</sup> Likewise, couples—both male and female—with obesity have greater difficulty becoming pregnant<sup>19</sup> and preconception weight loss is the recommended route for both partners.<sup>20</sup> Similar benefits can occur with cardiology, endocrinology and sleep medicine patients. In fact, obese patients from virtually all specialty areas benefit from weight loss, and internal referrals offer seamless, high quality care while keeping the revenue stream within the system.

### ***Transformed delivery systems***

Several existing programs can serve as successful models for weight management. The Diabetes Prevention Program, for example, includes partners from the public and private sectors working together to prevent diabetes via a structured lifestyle change. Other behavioral programs that include intensive lifestyle and diet changes with support from qualified specialists also have demonstrated success.<sup>21</sup> Telephone apps, especially when used in conjunction with a monitored program, provide private access to resources and support for weight loss and management at the users' convenience.

The greatest advantage of these programs is that they are virtually risk free for participants. People drop out of weight management programs because they have difficulty adhering to them. For this reason, programs that offer convenience and ease of use, such as meal replacements, are appealing because they address concerns about meal preparation that discourage many people from attempting a weight loss program.<sup>22 23</sup> Combining behavioral modification and a successful weight management program improves adherence and commitment, which serves as a motivator and increases engagement with the program.<sup>24 25</sup> To that end, partnerships between weight management centers and providers of scientifically designed weight loss programs create value for customers. Quick initial weight loss encourages continuation, which can help offset eventual regain and result in longer term weight loss maintenance.<sup>26 27</sup> Further, the medical support team has access to participants' progress and can offer a behavior education program to help patients maintain weight loss, leading to greater responsiveness and customer satisfaction.

### ***Universal recognition of individual health and wellness***

Early intervention through education and outreach is key to long-term changes in the rate of obesity. Understanding the social determinants that affect weight allows clearer focus on the development of evidence-based programs to help shift financial support and access to programs that reduce incidents of obesity before they become a costly health issue.<sup>28</sup> Further, treating obesity-related illnesses such as diabetes and hypertension, are high priorities for compliance with the ACA. Heart disease and strokes account for more than thirty percent of all deaths,<sup>29</sup> and over ninety percent of people with obesity have diabetes.<sup>30</sup> As such, greater emphasis on weight management programs can have significant and far-reaching impact. These benefits extend to financial health for individuals and health systems as it will create tremendous savings related to chronic diseases including heart disease, diabetes, and cancer.<sup>31</sup>

Campaigns that target obesity are critical to address both the issue of obesity, as well as the host of comorbidities it creates. This requires partnerships with primary care physicians who often are reluctant to diagnose, document, or follow-up on cases of obesity.<sup>32</sup> The National Committee for Quality Assurance (NCQA) created a needed incentive by providing financial reimbursement for clinicians who provide high quality patient care across several measures, including screening for body mass index, identifying social determinants of health, and demonstrating heart and diabetes recognition programs.<sup>33</sup> Similarly, Medicare adjusted their fee schedule to improve payments and recognize the need for a comprehensive approach to management of chronic diseases, including diabetes.<sup>34</sup> The ACA also promotes programs, including weight management, as incentives to encourage wellness and reduce health care spending.<sup>35</sup>

## MOVING FORWARD

Hospitals and health care systems will continue to face financial challenges as we enter a new decade. Effective, long-term options to treating obesity are underfunded, unavailable, or ineffective and create an urgent need for medical treatment. New, innovative methods to provide the level of quality care patients with obesity deserve are needed. This requires recognition of obesity as the medical condition it is.

Addressing obesity must be an indisputable top health priority across all levels of health care. Weight management results in significantly better health outcomes<sup>36</sup> and reduces the economic burden for patients, doctors, and hospitals. Retaining revenue by targeting in-house opportunities is an effective route to remaining profitable and competitive, and an intrinsic step forward in improving customers' experiences, transforming delivery systems, and achieving more universal recognition of individual health and wellness.

To that end, Robard's New Direction Advanced is an evidence-based obesity treatment program that's complimented by scientifically-designed nutrition products and best-in-class clinical and business services to help health care providers easily incorporate a medically-supervised obesity treatment program into practices or a hospital setting. Developed as the result of a comprehensive review of recent academic research, New Direction Advanced by Robard is a "State of the Science" product line that expands on the company's longstanding commitment to developing the most advanced approaches for safe, effective, and evidence-based obesity treatment without the use of drugs.

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## ABOUT ROBARD CORPORATION

For more than 40 years, Robard Corporation's obesity treatment programs have been used by physicians, surgeons and hospitals across the United States to treat patients living with obesity. Our programs employ patient behavior modification, comprehensive medical protocols and scientifically designed nutritional products to facilitate weight loss in patients with obesity and related chronic conditions. To learn more, call (800) 222-9201 or visit us online at [www.Robard.com](http://www.Robard.com).

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